

WEBSITE MONTHLY REPORTS

SALA PENSION FUND

FINANCIAL POSITION AND PERFORMANCE

As a result of the movements in the financial markets the SALA Fund's total assets is R13 957 729 937 as at the end of March 2016. For the 12 months up to March the Active Members' portion of the total Fund returned 6.97%, DC Members returned 6.89% whilst the Pensioners Members' portion returned 6.79% p.a. Over the past 5 years to 31 March 2016 the total Fund returned 13.89% p.a.

FINANCIAL MARKET OVERVIEW

Political issues once again dominated domestic news headlines during the month. The timing of the public spat between Finance Minister Gordhan and SARS head Moyane couldn't come at a worst time as it coincided with Moody's country visit that formed part of their credit rating review on South Africa. The stand-off was overshadowed by rumours that the Gupta-family was involved in cabinet minister appointments, putting the institutional integrity of the country into question. But at month-end, much faith in the constitutional integrity of the country was restored when the Constitutional Court ruled that President Zuma and Parliament flouted the constitution by ignoring the Public Protector's report on Nkandla.

Global, together with domestic developments, helped the rand to rally to levels last seen at the start of December before Nhlamhla Nene was sacked as Finance Minister. The rand appreciated by 7.5% against the dollar and closed the month at R14.65 against the green back. The currency ignored the widening in the current account deficit to 5.1% of GDP in the final quarter of last year. The local equity market followed global markets higher and the FTSE/JSE All Share Index gained 6.4% during the month to lift its year to date return into positive territory. The market rally was led by financial shares which rose by 12.4% as banking shares benefitted from higher interest rates. The industrial and resources sectors both gained 4.7%.

The South African Reserve Bank hiked interest rates by 0.25% to 7% in a split decision at their meetings this month. The Monetary Policy Committee remained concerned over upside risks to inflation and that it will remain above the targeted band for an extended period of time. Inflation concerns were justified by consumer price inflation for February which rose by more than expected to 7%. But inflation concerns had to be balanced by the weak growth outlook. Economic data relating to the domestic economy remained lacklustre and monthly and yearly growth figures for the mining and manufacturing sectors showed that both sectors contracted over these periods. The All Bond Index took its cue from the currency appreciation and renewed foreign interest to return 2.6% for the month. Listed property also experienced a spectacular month as the sector rallied 9.5% higher.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	2 059.7	6.6%	0.8%	7.3%	0.8%	-0.4%
Nasdaq	4 869.9	6.8%	-2.7%	5.4%	-2.7%	-0.6%
MSCI Global Equity	1 648.1	6.5%	-0.9%	4.2%	-0.9%	-5.3%
MSCI Emerging Mkt	836.8	13.0%	5.4%	5.7%	5.4%	-14.1%
Global Bond (US\$)						
Global Bonds	525.7	1.7%	6.7%	5.1%	6.7%	5.3%
Commodity Prices						
Brent Oil (USD/Barrel)	40.1	9.5%	7.4%	-17.5%	7.4%	-28.3%
Platinum (USD/oz)	977.5	4.6%	9.7%	7.8%	9.7%	-14.4%
Gold (USD/oz)	1 232.7	-0.4%	16.2%	10.5%	16.2%	4.2%
South African Mkt (Rand)						
Africa All Share	7 070.9	6.4%	3.9%	5.6%	3.9%	3.2%
Africa Top 40	6 242.9	6.1%	1.5%	4.1%	1.5%	3.3%
Africa Resource 20	1 718.7	4.7%	13.2%	-9.2%	13.2%	-27.8%
Africa Financial 15	7 944.2	12.4%	5.4%	2.0%	5.4%	-3.6%
Africa Industrial 25	13 082.2	4.7%	-0.7%	6.6%	-0.7%	10.5%
Africa Mid Cap	14 806.9	8.5%	18.8%	15.9%	18.8%	2.1%
Africa Small Cap	18 812.0	8.3%	11.4%	6.4%	11.4%	3.8%
All Bond Index	492.3	2.6%	6.6%	-0.3%	6.6%	-0.6%
Stefi Composite	337.2	0.6%	1.7%	3.3%	1.7%	6.6%
Africa SA Listed Property - (SAPY)	2 101.2	9.5%	10.1%	5.0%	10.1%	4.6%
MSCI Global Equity (R)		-1.4%	-6.1%	10.4%	23.4%	14.3%
Global Bonds (R)		-5.9%	1.2%	11.4%	-5.9%	27.2%
Rand Dollar Exchange Rate	14.65	-7.5%	-5.2%	6.0%	-5.2%	20.8%